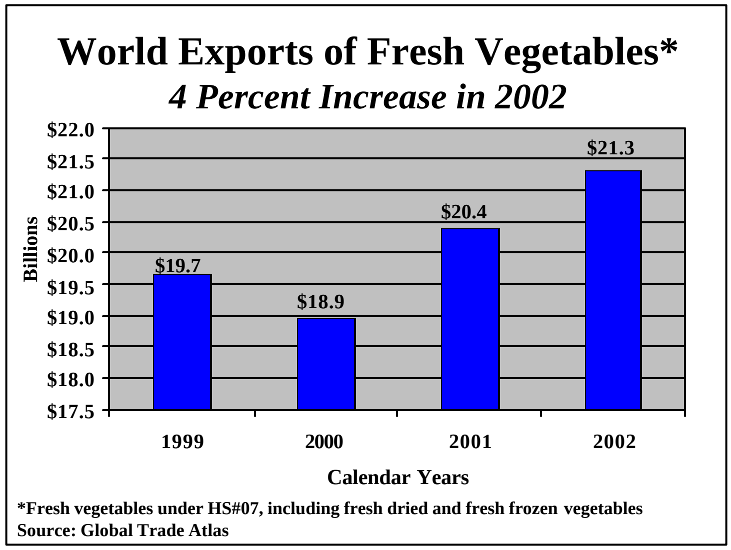
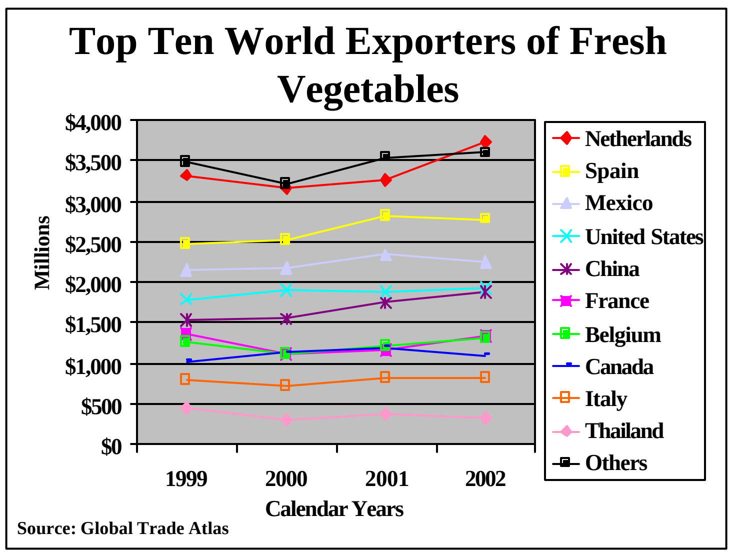
World Trade in Fresh Vegetables*

World Exports

In 2002, world exports of fresh vegetables reached $21.3 billion, up 4 percent from 2001 and up 10 percent from 1999, according to Global Trade Atlas statistics. The world's leading exporters of fresh vegetables include: the Netherlands ($3.7 billion), Spain ($2.7 billion), Mexico ($2.3 billion), the United States ($1.93 billion), and China ($1.88 billion).



From 1999-2002, most markets were flat or decreasing. In contrast, China's trend line has increased each year over this period. China has had impressive growth and almost reached U.S. levels. Furthermore, it is expected to continue growing.

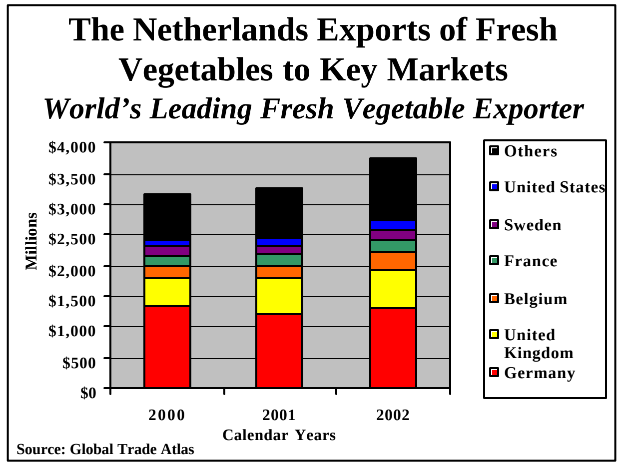


Netherlands

The Netherlands is the world's leading vegetable exporter. It is important to note that although they are the top exporter, they are only the 28th largest vegetable producer in the world, according to Food and Agriculture Organization of the United Nation (FAO) statistics. Dutch vegetable exports had solid growth from 2000-2002, reaching $3.7 billion in 2002, 8 percent above the 2001 figure and 11 percent higher than 2000.

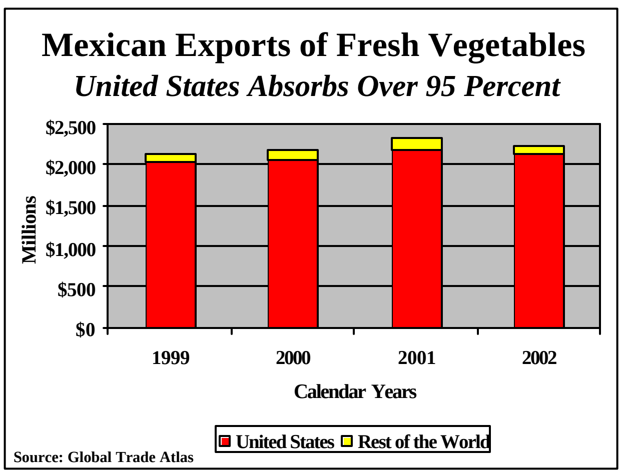
*Fresh vegetables as defined under the Harmonized System Chapter #07, which includes fresh, fresh dried, and fresh frozen vegetables. The Harmonized System (HS) is a method of classifying products that are traded. In brief, the HS assigns codes of up to 10 digits to each item. Codes are internationally harmonized at the 6 digit level.

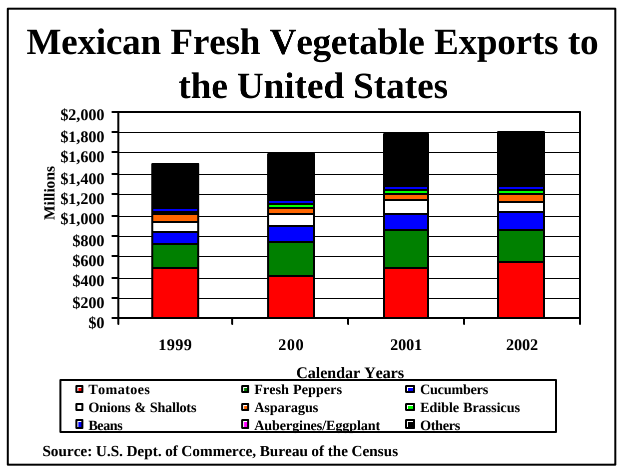
Germany is the Netherlands' top export market, followed by the United Kingdom, Belgium, and France. Tomatoes and cucumbers are the principal vegetables exported to Germany, followed by onions, potatoes, and lettuce. However, vegetable exports to Germany have been flat over the last 3 years. This illustrates that although the world is a global marketplace, countries trade most often with neighbors. Reasons include low transportation costs, similar tastes and preferences, and preferential trade agreements.



Mexico

Mexico is the 3rd leading vegetable exporter in the world. From 2001-2002, Mexican exports to the world dropped 3 percent. However, over the last 4 years, from 1999-2002, total exports rose 5 percent.



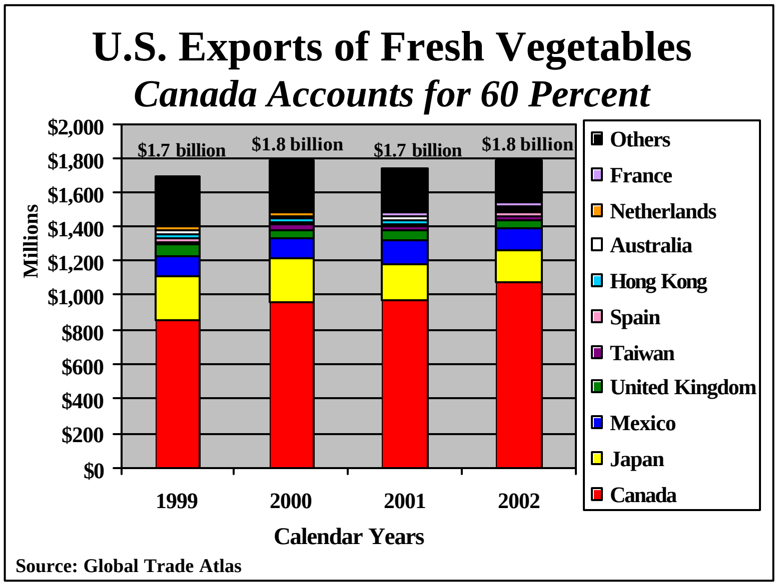


Mexico relies heavily on the United States as a market, which accounts for about 95 percent of Mexico's export sales. Tomatoes and peppers account for almost half of U.S. vegetable imports from Mexico, followed by cucumbers, onions, and asparagus.

From 1999-2002, total Mexican vegetable exports to the United States rose each year. They reached a record high of $1.8 billion in 2002, 6 percent above the 1999 figure.

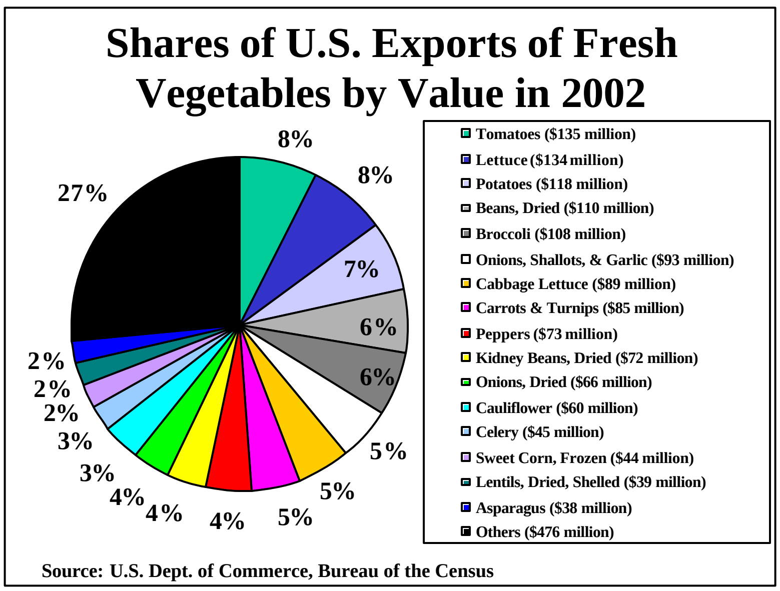
United States

As stated earlier in this article, the United States is the world's 4th largest vegetable exporter. Despite this, the United States currently has a trade deficit in vegetables. In 2002, U.S. vegetable imports were $3.1 billion, while exports were $1.8 billion.

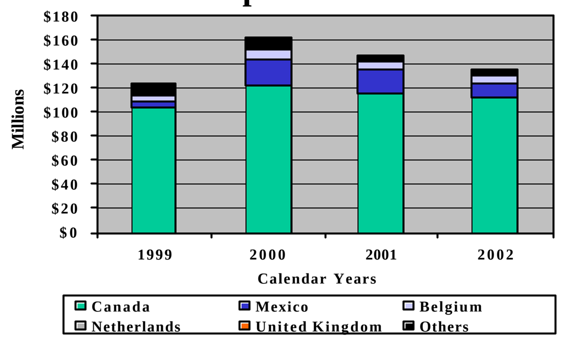


Specifically, the deficits occurred from 1989-1990 and 1995-2002. Reasons include rising world supplies and the downward pressure on prices, consumers shifting toward new items, which are increasingly available through imports, as well as the availability of fresh vegetables during the U.S. off-season.

U.S. vegetable exports have been flat over the past 4 years. From 1999-2002, exports to all markets had mixed results. They increased to Canada, decreased to Japan, and rose slightly to Mexico. Canada's share of U.S. vegetable exports has been increasing, despite the high U.S. dollar during the last 4 years. In fact, they rose from 51 percent in 1999 to 60 percent in 2002.

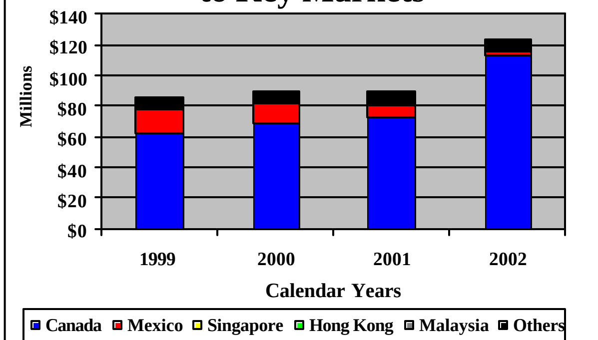


Major U.S. vegetable exports in 2002 were tomatoes ($135 million), lettuce ($134 million), potatoes ($118 million), dried beans ($110 million), broccoli ($108 million), onions/shallots/garlic ($93 million), cabbage lettuce ($89 million), carrots/turnips ($85 million), and peppers ($73 million). None of these categories was dominant, as each accounted for less than 10 percent. This means the U.S. exports are fairly diverse and the United States does not rely on any single crop for export.



U.S. Exports of Fresh Tomatoes to Top Markets

Source: U.S. Dept. of Commerce, Bureau of the Census



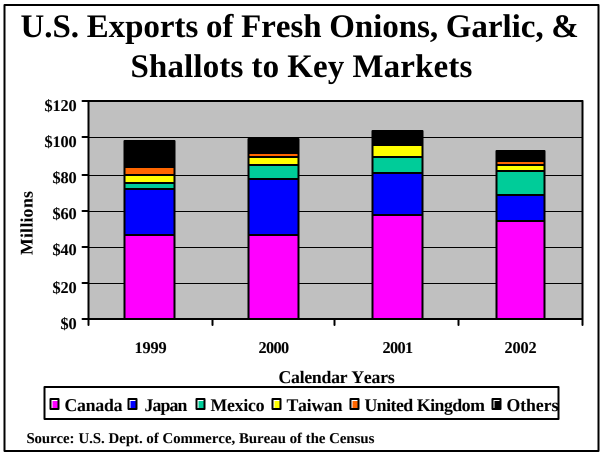
U.S. Exports of Fresh Potatoes to Key Markets

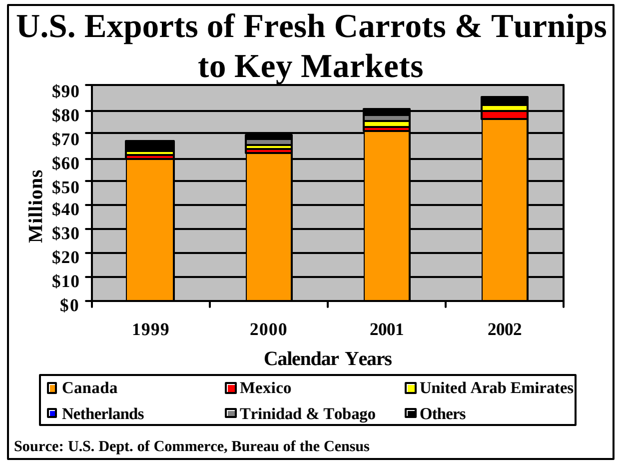
Source: U.S. Dept. of Commerce, Bureau of the Census

Tomatoes are the largest U.S. vegetable export. While tomato exports rose 14 percent from 1999-2002, exports have been slipping over the last 3 years, with a 17-percent drop from 2000-2002. The majority is exported to Canada ($112 million). Mexico, our other NAFTA partner, was our second most important export market at $12 million. In contrast, the United States imported $551 million of tomatoes from Mexico. Overall, the United States has a large trade deficit in tomatoes.

Potatoes are the 4th largest U.S. vegetable export. Exports reached a record $123 million in 2002, 40 percent above 2001. Canada and Hong Kong were responsible for most of this gain, with exports up 60 percent and 20 percent, respectively, in 2002. However, exports to many other key markets were down significantly, including Mexico and Taiwan. Despite this, the United States has a small trade surplus in potatoes with all trade partners.

Mexico has traditionally been a small but important market for U.S. potatoes. In 2003, exports to Mexico are expected to greatly exceed previous years, due mainly to the recently negotiated U.S.-Mexico potato protocol (for more details, see Attaché Report #MX3105). The results can already be seen in the 2003 export data. From January to October 2003, potato exports to Mexico were $6.3 million, 400 percent higher than the same period in 2002. This helps make up for the poor export sales to Canada thus far in 2003. Over this same period, exports to Canada were valued at $66.3 million, 40 percent less than the same period in 2002. Onions/garlic/shallots is the 6th most important U.S. vegetable export category. Onions account for most of this category. The United States has a small trade deficit in onions.



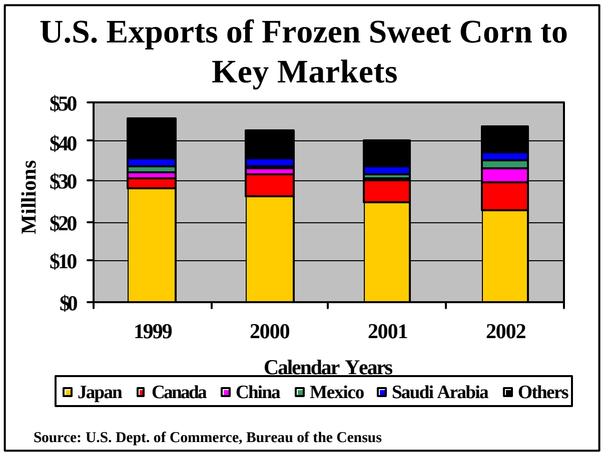


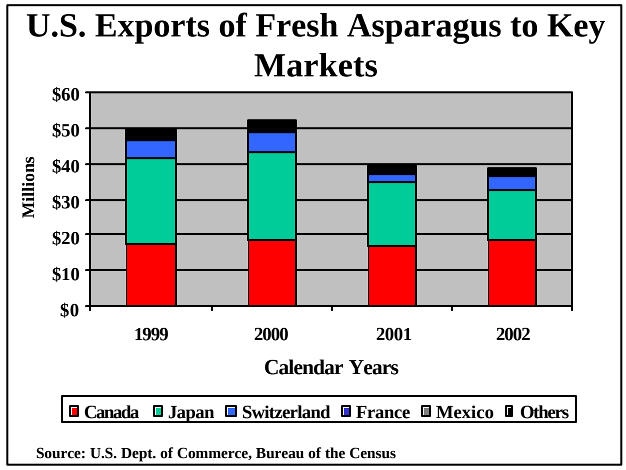
From 1999-2002, onion exports declined 6 percent. Canada is the top market for U.S. onion exports, followed by Japan and Mexico. Overall, demand for U.S. onions in Canada and Mexico has been increasing over this 4-year period, while exports to Japan have been dropping, due mainly to Japan's economic crisis, the strong dollar relative to the yen, and low cost competition from China.

In 2002, U.S. onion exports fell 11 percent to $92.7 million. This decline is mainly due to Canada, Japan, and Taiwan, which were down 6 percent, 40 percent, and 30 percent, respectively. However, onion exports to these key markets are expected to recover in 2003. From January to October 2003, exports were up 24 percent to Canada, up 42 percent to Japan, and up 61 percent to Taiwan over the same period in 2002. Furthermore, from January to October 2003, exports to these three countries are already higher than or at the same level as the entire year in 2002.

Carrots and turnips are the 8th largest vegetable export category. In 2002, exports increased 6 percent to $85 million. From 1999-2002, exports jumped 30 percent. As mentioned earlier, the United States relies heavily on Canada, which buys 90 percent of U.S. carrot exports. Carrot exports to the United Arab Emirates have been rising, and analysts have taken note of this trend. The United States has a trade surplus in carrots.

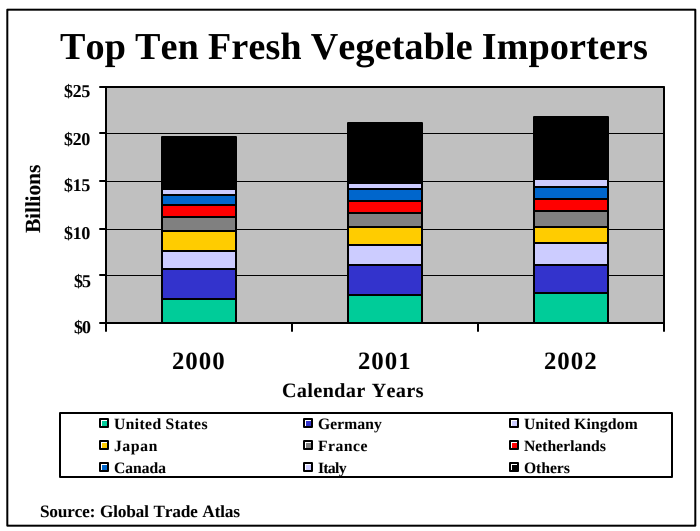
Frozen sweet corn is the 14th most important U.S. vegetable export at $44 million. From 2001-2002, exports increased 10 percent, while they dropped 5 percent from 1999-2002. Japan is the most important market for U.S. frozen sweet corn, but is declining. Canada is the second, and rising. Surprisingly, exports of frozen sweet corn to China are increasing, which helps make up for the overall decline over the past 4 years. China is both an important market and competitor for various vegetables. The United States has a very large trade surplus of frozen sweet corn.





Asparagus is the 16th largest vegetable export for the United States, with exports reaching $38 million in 2002. Asparagus exports have been dropping steadily over the last several years, due to strong competition from Peru and Mexico. From 2001-2002, they dropped 5 percent. From 1999-2002, they fell 24 percent. Unlike other vegetables discussed earlier, Canada is not the primary buyer of U.S. asparagus. Roughly 40 percent was exported to Canada and Japan in 2001 and 2002. From 1999-2002, Japan's share has dropped, while Canada's has grown. The United States has an asparagus trade deficit.

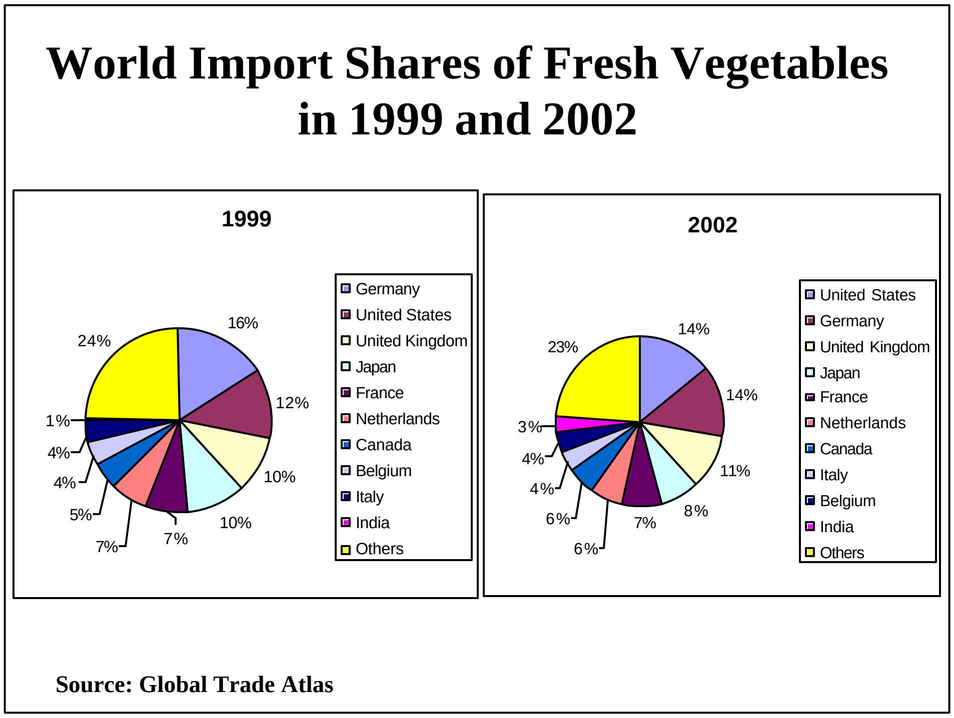
U.S. garlic and asparagus producers are especially facing strong competition from China and other competitors. In 2003, the U.S. garlic industry was rejected for trade assistance under the Foreign Agricultural Service's (FAS) Trade Adjustment Assistance (TAA) because domestic producer prices did not decline by more than 20 percent of the previous 5-year average, a condition required for certifying a petition for TAA.



World Imports

The United States is the 4th largest vegetable exporter and the world's largest importer. While the Netherlands, Spain, and Mexico are also key exporters, these countries do not import nearly as much as the United States, as demonstrated in the graph.

Five of the eight top markets are EU members. Although the EU is a difficult market to penetrate, it is important. Japan's import market share is dropping rapidly, due to its economic crisis and weakening currency against the U.S. dollar. Despite this, Japan is still a very important market. Canada is a strong market and should not be ignored, but it is prudent to develop new market opportunities as well.

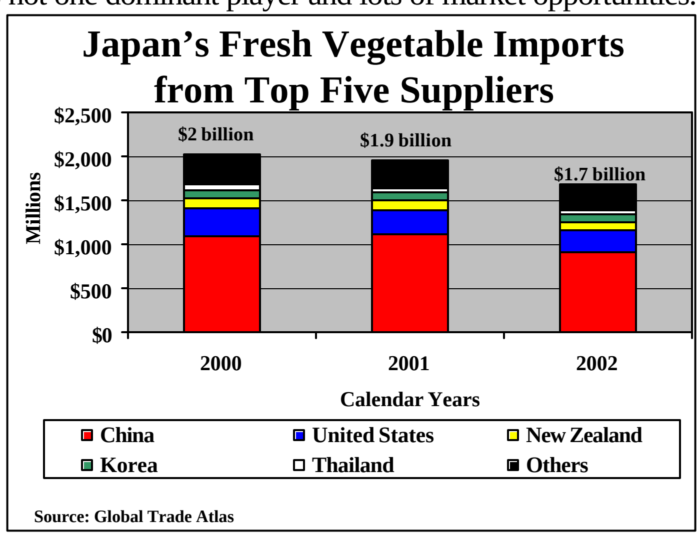


World import shares of vegetables have changed only slightly from 1999-2002. In 1999, Germany had the largest share and the United States was second. However, in 2002, Germany lost market share and switched places with the United States. German and Japanese import shares decreased 2 percent over this period, while the United States' and India's shares increased 2 percent. It is noteworthy that all the shares are spread out among all the players. There is not one dominant player and lots of market opportunities.

Japan

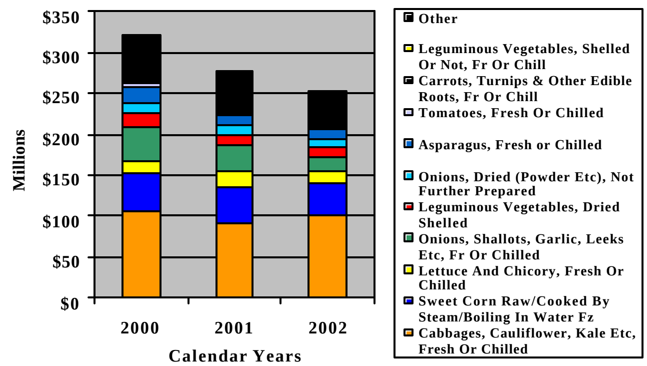
Japan is the 4th largest vegetable importer at $1.7 billion in 2002. Japan's imports from all suppliers have declined 15 percent from 2000-2002.

China supplies over 50 percent of Japan's vegetable imports, while the United States supplies about 15 percent. China is both an important U.S. market and growing competitor.



Cabbage accounts for almost 40 percent of Japan's imports from the United States. This category has not grown over the past 3 years, but has increased proportionately as Japan's total vegetable exports decline. Japanese imports of frozen sweet corn, onions, beans, asparagus, and tomatoes have dropped rapidly over the last 3 years.

Japan's Fresh Vegetable Imports from the United States by Category



Source: Global Trade Atlas

Conclusion

The United States currently has a trade deficit in vegetables. Specifically, the United States had a trade deficit in vegetables from 1995-2002 and 1989-1990. In 2002, U.S. vegetable imports were $3.1 billion, while exports were $1.8 billion. This reflects rising world supplies and the downward pressure on prices, consumers shifting toward new items that are increasingly available through imports, as well as the availability of fresh vegetables during the U.S. off-season.

Given the intense competition from international suppliers, the struggle to maintain market share for vegetable exports will continue. However, the FAS Market Access Program (MAP) and other export programs should assist the U.S. industry with this challenge.

(The FAS Attaché Report search engine contains reports on the selected vegetable industries for selected countries. For information on production and trade, contact Shari Kosco at 202-720-2083. For information on marketing, call 202-720-7931.)

Top 20 U.S. Vegetable Exports to the World

	HS Code	January-December Values in 1000 Dollars 1998	1999	2000	2001	2002	Percentage Change	January-October Values in 1000 Dollars 2002	2003	Percentage Change
EDIBLE BRASSICAS NES	70490	$ 127,025	$ 128,934	$ 157,829	$ 128,284	$ 136,318	6%	$ 113,593	$ 115,101	1%
TOMATOES, FRESH	70200	$ 120,555	$ 122,666	$ 162,345	$ 146,338	$ 135,142	-8%	$ 106,670	$ 121,556	14%
LETTUCE, FRESH	70519	$ 77,906	$ 77,752	$ 105,504	$ 110,973	$ 134,207	21%	$ 111,157	$ 114,002	3%
POTATOES, FRESH	70190	$ 84,768	$ 82,432	$ 84,628	$ 83,018	$ 117,532	42%	$ 107,347	$ 74,145	-31%
BEANS DRIED, SHELLED	71339	$ 171,668	$ 111,295	$ 101,756	$ 105,743	$ 110,032	4%	$ 89,651	$ 98,476	10%
VEGETABLES, FRESH	70990	$ 79,543	$ 78,742	$ 93,829	$ 105,792	$ 98,328	-7%	$ 82,674	$ 90,376	9%
ONIONS AND SHALLOTS	70310	$ 107,347	$ 98,069	$ 99,697	$ 104,152	$ 92,663	-11%	$ 73,899	$ 94,326	28%
CABBAGE LETTUCE	70511	$ 89,317	$ 81,426	$ 85,083	$ 84,066	$ 89,284	6%	$ 75,523	$ 87,493	16%
CARROTS AND TURNIPS	70610	$ 59,942	$ 66,992	$ 69,797	$ 80,475	$ 85,172	6%	$ 73,148	$ 77,873	6%
PEPPERS, FRESH	70960	$ 55,644	$ 59,125	$ 67,630	$ 72,695	$ 73,432	1%	$ 60,449	$ 63,693	5%
KIDNEY BEANS, DRIED	71333	$ 118,454	$ 111,960	$ 81,940	$ 72,195	$ 72,400	0%	$ 61,072	$ 51,758	-15%
ONIONS, DRIED	71220	$ 73,221	$ 71,163	$ 67,018	$ 69,102	$ 66,341	-4%	$ 54,833	$ 50,816	-7%
CAULIFLOWERS FRESH	70410	$ 57,430	$ 58,461	$ 50,775	$ 52,684	$ 59,828	14%	$ 49,682	$ 51,650	4%
VEGETABLES NES DRIED	71290	$ 91,302	$ 80,637	$ 60,114	$ 61,040	$ 55,830	-9%	$ 44,657	$ 46,142	3%
CELERY, FRESH	70940	$ 45,629	$ 42,704	$ 58,031	$ 48,955	$ 45,028	-8%	$ 36,471	$ 34,500	-5%
SWEET CORN, FROZEN	71040	$ 47,198	$ 45,909	$ 42,931	$ 40,136	$ 43,514	8%	$ 33,424	$ 36,935	11%
LENTILS DRIED, SHELL	71340	$ 22,088	$ 29,283	$ 32,296	$ 36,145	$ 39,059	8%	$ 30,703	$ 36,471	19%
ASPARAGUS, FRESH	70920	$ 45,639	$ 49,936	$ 52,082	$ 39,764	$ 38,180	-4%	$ 36,487	$ 36,040	-1%
VEGETABLES, FROZEN	71080	$ 42,846	$ 37,702	$ 35,552	$ 35,537	$ 35,019	-1%	$ 29,564	$ 25,785	-13%
PEAS DRIED, SHELLED	71310	$ 47,858	$ 38,841	$ 32,356	$ 31,195	$ 32,855	5%	$ 24,033	$ 37,966	58%
Others		$ 207,905	$ 223,096	$ 238,936	$ 233,698	$ 225,376	-4%	$ 179,259	$ 193,653	8%
TOTAL		**$ 1,773,284**	**$ 1,697,125**	**$ 1,780,130**	**$ 1,741,987**	**$ 1,785,543**	**3%**	**$ 1,474,298**	**$ 1,538,760**	**4%**

Source: U.S. Dept. of Commerce, Census Bureau

Top 20 U.S. Vegetable Imports from the World

	HS Code	January-December Values in 1000 Dollars 1998	1999	2000	2001	2002	Percentage Change	January-October Values in 1000 Dollars 2002	2003	Percentage Change
TOMATOES, FRESH	70200	$ 757,895	$ 689,392	$ 640,240	$ 721,633	$ 794,745	10%	$ 655,074	$ 924,700	41%
PEPPERS, FRESH	70960	$ 356,049	$ 328,390	$ 455,697	$ 509,640	$ 458,275	-10%	$ 378,264	$ 461,676	22%
VEGETABLES, FRESH	70990	$ 178,379	$ 167,233	$ 197,399	$ 249,522	$ 237,964	-5%	$ 176,638	$ 195,103	10%
VEGETABLES, FROZEN	71080	$ 178,293	$ 213,835	$ 197,820	$ 206,709	$ 224,841	9%	$ 183,464	$ 208,971	14%
CUCUMBERS, GHERKINS	70700	$ 157,853	$ 141,880	$ 177,296	$ 200,538	$ 212,464	6%	$ 165,526	$ 176,504	7%
ONIONS AND SHALLOTS	70310	$ 150,411	$ 142,574	$ 136,661	$ 166,324	$ 147,508	-11%	$ 120,701	$ 129,752	7%
ASPARAGUS, FRESH	70920	$ 92,890	$ 110,385	$ 114,826	$ 116,760	$ 135,324	16%	$ 104,925	$ 118,975	13%
VEGETABLES NES DRIED	71290	$ 82,790	$ 90,357	$ 79,732	$ 81,984	$ 91,833	12%	$ 75,708	$ 74,957	-1%
POTATOES, FRESH	70190	$ 67,346	$ 59,900	$ 47,209	$ 51,860	$ 79,057	52%	$ 62,624	$ 55,238	-12%
BEANS DRIED, SHELLED	71339	$ 14,372	$ 18,814	$ 22,764	$ 43,982	$ 61,638	40%	$ 55,116	$ 32,984	-40%
EDIBLE BRASSICAS NES	70490	$ 38,387	$ 38,010	$ 45,646	$ 55,587	$ 59,362	7%	$ 49,141	$ 42,672	-13%
ARROWROOT, SALEP	71490	$ 55,328	$ 46,441	$ 48,668	$ 56,759	$ 53,817	-5%	$ 44,083	$ 42,426	-4%
GARLIC, FRESH	70320	$ 40,728	$ 45,818	$ 27,445	$ 39,886	$ 53,609	34%	$ 50,319	$ 37,013	-26%
MUSHROOMS, FRESH	70951	$ 20,214	$ 28,473	$ 37,343	$ 45,123	$ 51,167	13%	$ 41,762	$ 49,915	20%
FROZEN VEGETABLE MIX	71090	$ 21,872	$ 26,059	$ 28,297	$ 31,479	$ 37,694	20%	$ 31,349	$ 35,536	13%
BEANS, FRESH	70820	$ 28,901	$ 30,293	$ 29,380	$ 34,639	$ 33,171	-4%	$ 24,592	$ 29,519	20%
AUBERGINES, FRESH	70930	$ 30,446	$ 21,983	$ 24,084	$ 29,832	$ 29,765	0%	$ 21,436	$ 20,847	-3%
CABBAGE LETTUCE	70511	$ 4,868	$ 6,209	$ 7,511	$ 9,294	$ 26,053	180%	$ 24,010	$ 15,976	-33%
POTATOES SEED, FRESH	70110	$ 29,752	$ 29,428	$ 29,998	$ 15,493	$ 24,975	61%	$ 22,465	$ 21,763	-3%
KIDNEY BEANS, DRIED	71333	$ 4,662	$ 6,320	$ 9,637	$ 12,503	$ 24,825	99%	$ 21,680	$ 15,308	-29%
Others		$ 265,162	$ 281,904	$ 290,126	$ 280,452	$ 298,667	6%	$ 239,884	$ 267,817	12%
TOTAL		**$ 2,576,599**	**$ 2,523,700**	**$ 2,647,779**	**$ 2,959,999**	**$ 3,136,752**	**6%**	**$ 2,548,760**	**$ 2,957,651**	**16%**

Source: U.S. Dept. of Commerce, Census Bureau